

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

**24 HOUR FITNESS USA, INC.,**  
a California corporation,

**Plaintiff,**

**Y.**

**BALLY TOTAL FITNESS HOLDING  
CORP., a Delaware corporation,  
and MICHAEL SHEEHAN, an individual,**

## Defendants.

**Case No. 08 CV 3853**

**Judge Joan Humphrey Lefkow**

**Magistrate Judge Morton Denlow**

### SUPPLEMENTAL DECLARATION OF MICHAEL SHEEHAN

I, MICHAEL SHEEHAN, DECLARE:

1. I have personal knowledge of the facts set forth in this declaration, and if called as a witness, I could and would testify competently to them.

2. My initial letter agreement with Bally Total Fitness Holding Corporation (“Bally”) required me to establish a permanent residence in Chicago, Illinois by July 30, 2008. The agreement, however, was modified orally prior to July 1, 2008 by an authorized member of the Bally Board of Directors. Under the modified agreement, I am not obligated to establish a local residence in Chicago until 30 days after the termination of all litigation commenced against me by 24 Hour Fitness. Accordingly, at this time, I have not made any arrangements to establish a permanent residence in Chicago, or anywhere else in Illinois.

3. As of the date of modification of my agreement with Bally (i.e., prior to July 1), I abandoned my intention of establishing a permanent residence in Chicago. Rather, because I cannot predict the outcome of my litigation with 24 Hour Fitness USA, Inc. and 24 Hour Fitness Worldwide, Inc. (collectively, "24 Hour Fitness") I decided not to establish a permanent residence in Chicago, or anywhere else in Illinois, until I am sure that the litigation with 24 Hour Fitness has been resolved to my satisfaction. Although there is a possibility that I may one day

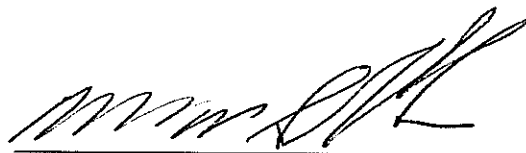
establish a residence in Chicago, there is also a possibility that I will not do so. As of July 7, I did not have a present and unequivocal intention of establishing a permanent residence in Chicago, or anywhere else in Illinois, at any date.

4. I never intended to make Chicago, or anywhere else in Illinois, my primary residence or legal domicile. As stated in my earlier declaration, at all times over the last 13 years, I intended to maintain my California home as my primary residence and legal domicile. Even if I someday establish a permanent residence in Illinois, I intend to, and for my immediate family to, continue to live in my house in California. This was my intention as of June 20, as of July 7, and remains so today.

5. I listed my house in San Ramon, California for sale several months ago. It has always been my intention, if I sell the house at all, to use the proceeds of the sale to purchase another house in California, which I will maintain as my primary residence and legal domicile, and where my immediate family will live. I had lived in Southern California for many years before moving to San Ramon to be close to 24 Hour USA's corporate offices. If and when the San Ramon property sells, I will move back to the Southern California area, along with my immediate family.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 20<sup>th</sup> day of August, 2008 at Chicago, Illinois.

A handwritten signature in black ink, appearing to read 'Michael Sheehan', written over a horizontal line.

Michael Sheehan